



Issued July 17, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE  
SUGAR DIVISION, WASHINGTON, D. C.

JAN 30 1941

no. 8

SUBMIT

TENTATIVE RECOMMENDATIONS FOR FAIR AND REASONABLE PRICES  
FOR THE 1940 CROP OF LOUISIANA AND FLORIDA SUGARCANE

It is proposed to recommend to the Secretary of Agriculture that:

(a) Fair and Reasonable Prices for the 1940 crop of Louisiana sugarcane shall be (when the price of 96° raw sugar, duty-paid basis, is 3 1/4 cents per pound) not less than \$1.00 per ton of standard sugarcane for each 1 cent of (1) the average of the weekly quotations of 96° raw sugar, duty-paid basis, on the Louisiana Sugar & Rice Exchange and the Cane Products Trade Association Exchange for the week in which such sugarcane is delivered, or (2) the simple average of the weekly quotations of 96° raw sugar, duty-paid basis, on the Louisiana Sugar & Rice Exchange and the Cane Products Trade Association Exchange, (or upon such quotations as the Secretary may elect for the purpose), for the weeks from October 11, 1940, to March 27, 1941, as may be agreed upon, except that the simple average of the daily quotations of 96° raw sugar, duty-paid basis, on the New York Coffee & Sugar Exchange shall be substituted for those above mentioned for any week in which the volume of transactions on the Louisiana exchanges is less than 3,000 tons, raw value:

Provided, however, (i) That for each decline of 1/4 cent in the price of 1 pound of 96° raw sugar, below 3.25 cents per pound, the price of standard sugarcane shall be reduced by not more than 3 per centum, with intervening prices in proportion, unless the price of sugar falls below 2.75 cents, in which case no further reduction shall be made;

(ii) That for an advance of 1/4 cent in the price of 1 pound of 96° raw sugar, duty-paid basis, above 3.25 cents per pound, the price of standard sugarcane shall be increased by not less than 3 per centum, with intervening prices in proportion, unless the price of raw sugar exceeds 3.50 cents per pound, in which case settlement shall be made on the basis of \$1.03 per ton of standard sugarcane for each 1 cent of the price;

(iii) That premiums paid for sugarcane of the 1940 crop containing more sucrose in the normal juice than that defined herein as standard sugarcane shall be not less than 1/2 per centum for each full 1/10 of 1 per centum by which such sucrose content of the normal juice exceeds that of standard sugarcane but shall in no event be less than 1 per centum for each full 1/10 of 1 per centum by which such sucrose content of the normal juice exceeds 12 1/2 per centum;

(iv) That the discounts applicable to sugarcane of the 1940 crop containing less sucrose in the normal juice than that defined herein as standard sugarcane shall not exceed 2 per centum for each full 1/10 of 1 per centum down to 9 1/2 per centum of sucrose in the normal juice;

(v) That deductions based upon decreased boiling house efficiency may be made for frozen sugar cane accepted by the processor (it being understood that cane shall not be considered as frozen even after being subjected to freezing temperature unless and until there is evidence of damage having taken place because of the freeze) at a rate not in excess of 3.775 per centum of the payment, computed as aforesaid, for each 0.25 cc. of acidity above 2.25 cc. but not in excess of 4.50 cc. (analyzed in accordance with the established methods of the area, with intervening fractions computed to the nearest multiple of 0.05 cc.).

(b) Definitions and general provisions. For purposes of this determination:

(1) Standard sugarcane, for the area lying east of the Atchafalaya River shall be defined as sugarcane containing 11 1/2 per centum to 12 per centum of sucrose in the normal juice and for the area lying west of the Atchafalaya River shall be defined as sugarcane containing 11 1/2 per centum to 12 1/2 per centum of sucrose in the normal juice;

(2) Costs, such as hoisting and weighing of sugarcane, shall be absorbed by the producer or processor, as the case may be, who absorbed such costs in 1939, but nothing in this paragraph shall be construed as prohibiting negotiations with respect to the level of such costs, subject upon appeal, to review by the Secretary of Agriculture or his authorized agent in the event of changes alleged to be unfair to either producer or processor.

(3) Where the only available practicable means of transportation are rail facilities and the distance to the nearest factory is in excess of 50 miles, the cost of transportation may, by mutual consent of the interested parties, and subject to review by the Secretary of Agriculture or his authorized agent, be shared by the processor and producer.

The tentative price recommendations for the 1940 Crop of Florida Sugarcane are as follows:

Fair and Reasonable Prices for the 1940 Crop of Florida Sugarcane shall be (when the price of 96° raw sugar is 3.50 cents per pound) not less than \$1.00 per ton of standard sugarcane for each 1 cent of the simple average of the weekly quotations of 96° raw sugar, duty-paid basis, on the New York Coffee and Sugar Exchange (as provided for in the standard Florida purchase agreement with supplement) for the period beginning December 1, 1940 and ending May 31, 1941;

Provided, However, (1) That the rates of discount applicable to sugarcane containing less sucrose in the crusher juice than that defined as standard sugarcane in the contract used in the purchase of the 1939 crop shall be identical with those applied in connection with the 1939 crop; and

(2) That the rates of premium applicable to sugarcane containing more sucrose in the crusher juice than that defined as standard sugarcane in the contract used in the purchase of the 1939 crop shall be identical with those applied in connection with the 1939 crop.



Issued October 9, 1940

UNITED STATES DEPARTMENT OF AGRICULTURE  
AGRICULTURAL ADJUSTMENT ADMINISTRATION  
SUGAR DIVISION, WASHINGTON, D. C.

DEFINITION OF MARKETING UNDER  
THE SUGAR ACT OF 1937



1. A marketing of sugar shall be deemed to have occurred when delivery of the sugar is made against a bona fide sales contract.

2. Any of the following shall be deemed to constitute delivery:

(a) Actual delivery by the seller or his agent:

- (1) Actual delivery of the sugar to the buyer; or
- (2) actual delivery of the sugar to a common carrier for transportation to the buyer, whether or not such transportation involves subsequent transshipment by means of another such carrier.

(b) Constructive delivery by the seller or his agent:

- (1) Delivery to the buyer of a negotiable or non-negotiable warehouse receipt, or custodian's storage receipt, representing the sugar; or
- (2) acknowledgment that the sugar is held for and on behalf of the buyer.

(c) Actual delivery by the warehouseman or the custodian:

- (1) Actual delivery of the sugar to the buyer; or
- (2) actual delivery of the sugar to a common carrier for transportation to the buyer whether or not such transportation involves subsequent transshipment by means of another such carrier.

(d) Constructive delivery by the warehouseman or the custodian:

1.4  
SUGAR  
No. 10  
JAN 30 1941

- (1) Issuance to the buyer of a negotiable or non-negotiable warehouse receipt, or a custodian's receipt, representing the sugar; or
- (2) other acknowledgment that the sugar is held for and on behalf of the buyer.

3. Delivery of sugar shall be evidenced as follows:

- (a) By the seller or his agent -- actual delivery to the buyer shall be evidenced by the buyer's written receipt thereof; actual delivery to a common carrier for transportation to the buyer shall be evidenced by a copy of the bill of lading, or other shipping receipt, issued by a common carrier; delivery to the buyer of a negotiable or non-negotiable warehouse receipt, or a custodian's storage receipt, shall be evidenced by the buyer's written receipt thereof; and an acknowledgment that the sugar is held for and on behalf of the buyer shall be evidenced by the buyer's written receipt of the notice of such acknowledgment; and
- (b) by the warehouseman or custodian -- actual delivery to the buyer shall be evidenced by the warehouse or custodian delivery advice accompanied by a copy of the buyer's written receipt to the warehouseman or custodian; actual delivery to a common carrier for transportation to the buyer shall be evidenced by the warehouse or custodian delivery advice accompanied by a copy of the bill of lading, or other shipping receipt, issued by a common carrier; issuance to the buyer of a negotiable or non-negotiable warehouse receipt, or custodian's receipt, representing the sugar shall be evidenced by the warehouse or custodian delivery advice showing the number of such receipt and to whom issued; and any other acknowledgment that the sugar is held for and on behalf of the buyer shall be evidenced by

the warehouse or custodian delivery advice accompanied by the original or a copy of the buyer's written receipt of such acknowledgment.

4. A sales contract shall be deemed to be a bona fide contract if, in accordance with the foregoing:

- (a) Actual delivery of the sugar is made under the contract during the quota year;
- (b) constructive delivery of the sugar is made under the contract which permits actual delivery during the quota year and actual delivery is made by January 31 of the following year;
- (c) constructive delivery of the sugar is made under the contract which permits actual delivery during the quota year and the sugar is paid for in cash by January 31 of the following year; or
- (d) constructive delivery of the sugar is made under the contract which permits actual delivery during the quota year and not less than 25% of the sugar is actually delivered, or not less than 25% of the purchase price of the sugar is paid in cash, by January 31 of the following year, provided the entire amount of the sugar is actually delivered to the buyer and paid for in full.

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